

AGENDA

NORTH DAKOTA RACING COMMISSION

Live and Telephone Meeting

500 North 9th Street, Bismarck, ND

Thursday, June 23, 2005

1:30 p.m. central

1. Approval of Minutes
 - February 25, 2005
2. Accountant's Reports
 - Breeders' Fund Reconciliation Report
 - Breeders' Fund 2005 Distribution Report for the 2004 Season
 - Trip to Am Toe Provider in Maryland
 - Request to write off RSI owed monies
3. NAPRA Attendance Spring Conference Report
4. Report on Commission becoming stand alone state agency
 - Computer upgrades
 - Risk Management
 - OMB
 - Wellness Coordinator
 - Council of State Employees (COSE) Representative
 - Emergency Commission
5. General Budget Review
 - Remaining biennium dollars
 - 2005-2007 Budget
 - Temporary Labor
 - Command Labor
 - Personal Service Contract
6. Outdoor Recreation Development Association
 - Requesting \$5,000 (June storm damage)
7. Horse Race North Dakota - Fargo
 - Review of Simulcast Site Application

8. ND Horse Park/Fair Circuit Horse Racing Association
 - Memorandum of Understanding
9. Lien Games Inc.
 - New Partners
 - Big Bettors
 - Offshore Wagering
10. Steve Keplin's Appeal of 2004 Steward's Ruling
11. Ownership Question on Skis Easy Dash
12. Staff Positions
 - Administrative Officer - Reclassification of Position
 - Review of Director of Racing's Probationary Status
13. Any other business which may properly come before the Commission
14. Adjournment

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If you plan to attend the meeting and will need special facilities or assistance relating to a disability, please contact the Racing Commission at 701-328-4633.

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NORTH DAKOTA RACING COMMISSION
Live and Telephone Meeting
500 North 9th Street, Bismarck, ND
Thursday, June 23, 2005
1:30 p.m. (central time)

PRESENT:

Chairman James Boehm, Commissioners Jim Arthaud, Jim Clement, Clarence Frederick, DeAnn Pladson, Director Dean Meyer, Legal Counsel Bill Peterson, Administrative Officer Helen Tessmann.

OTHERS PRESENT:

Roger Thompson	Darlene Holtz	Les Schmidt
Rick Buchholz	Rob Lynch	George Frederick
Mike Cichy	Scott Horst	Randy Blaseg
Rick Tessin	Leon Glasser	Janell Cole
James MacPherson	Jim Tilton	

Chairman Boehm called the meeting to order and asked the Director to call the roll.

Commissioner Arthaud	-	Here
Commissioner Clement	-	Here
Commissioner Frederick	-	Here
Commissioner Pladson	-	Here
Chairman Boehm	-	Here

Chairman Boehm called the meeting to order and asked for a motion to approve the agenda with the fourth item under agenda Item #2 removed, the request to write-off RSI owed monies. Director Meyer asked that Item #9, the Offshore Wagering be removed and informed that Item #6, the request from ORDA Chippewa Downs, has been withdrawn by Doug DeMontigny as their insurance policy has covered the cost of recent storm damages.

Commissioner Arthaud made a motion to approve the agenda with the removal of the request to write-off RSI owed monies from agenda item #2, to removed agenda items #6 (ORDA's \$5,000 request for storm damages) and #9 (Lien Games – Offshore Wagering).
Commissioner Frederick seconded the motion. Chairman Boehm asked all in favor of the motion say aye. Four responded with aye, opposed one (DeAnn Pladson). **Motion passes.**

AGENDA ITEM #1

- Approval of Minutes**
- February 25, 2005 (copies previously provided to commissioners)

Commissioner Frederick made the motion to approve the minutes of February 25, 2005.
Commissioner Clement seconded the motion. With no further discussion, Chairman Boehm asked for all in favor of the motion say aye. **All commissioners voted aye and with no opposition the motion passed.**

AGENDAITEM #2

2. Accountant's Reports

- Breeders' Fund & Purse Reconciliation Report
- Breeders' Fund 2005 Distribution Report for the 2004 Season

Roger Thompson gave his report for Breeder's and the Purse Fund Reconciliation and the Breeder's Fund Distribution for 2005 from points earned in 2004. He asked commissioners to turn to the reports provided and proceeded to read the report.

Commissioner Arthaud made the motion to accept the accountant's report as provided. Commissioner Clement seconded the motion. Chairman Boehm asked for discussion and with none asked for all in favor of the motion say aye. All said aye. **The motion passed.**

Roger Thompson then reported on his trip to the Am Tote hub in Maryland which as authorized by the commission February of 2005.

AGENDAITEM #3

3. NAPRA Attendance Spring Conference Report – Ocean Beach, Alabama

Chairman Boehm stated I did not bring my report but one of the biggest issues in the future will be testing and medications. Chairman Boehm asked the Administrative Officer Tessmann to give her report on the conference.

Administrative Officer Tessmann reported on several meetings which she attended at the conference and reported that NAPRA is very financially responsible and that they are very open about their accountability in any matters that come before NAPRA. At each meeting questions were welcomed and NAPRA encourages full membership participation. The Public Relations and Marketing Committee meeting showed how individuals are trying very hard to look at more and better ways to tell the story of the sport of horse racing. Ms. Tessmann reported that NAPRA is serving all Pari-Mutual jurisdictions to promote the integrity of the sport. She thanked the commission for allowing her to attend the conference and certainly appreciated the knowledge gained at the conference.

AGENDAITEM #4

4. Report on Commission becoming stand alone state agency

- Computer upgrades
- Risk Management
- OMB
- Wellness Coordinator
- Council of State Employees (COSE) Representative
- Emergency Commission

Director Meyer reported that he and Administrative Officer Tessmann attended a couple of days of training since becoming a stand alone agency. One of the things needed was an upgrade of computers as the current computers could not access People Software or Adobe 6 programs. The cost of the upgrades is \$1,134.

Commissioner Clement made a motion to approve the purchase of two new computers. Commissioner Frederick seconded the motion. Chairman Boehm asked for any discussion and with none asked for all in favor of the motion to say aye. All said aye. **Motion passed**

Director Meyer continued to report on the various meetings attended by himself and the Administrative Officer in the Senior Executive Orientation. In the Risk Management meeting the subject matters of Workmen's Compensation and the possible liability risk to the state with the Belcourt track were addressed. Director Meyer reported that the Administrative Officer had been asked to serve on the state board of the Council of State Employees (COSE). She declined because of time constraints with Racing Commission becoming a stand alone state agency but will serve as agency representative.

AGENDA ITEM #5

5. **General Budget Review**
 - Remaining biennium dollars
 - 2005-2007 Budget
 - Temporary Labor
 - Command Labor
 - Personal Service Contract

The Director continued to report on the current balances and expenditures which will be paid out of the budget and reported that the Finance Division of the Attorney General's office would work with the commission thorough the end of the biennium. The Office of Management and Budget, Finance Division, will provide assistance in the new biennium.

Administrative Officer Tessmann reported that the use of temporary labor thorough Command Labor will be continued into the new biennium versus having huge costs if a court reporter was retained for transcribing meeting minutes. Further discussion was held on whether the need existed for transcribing the minutes verbatim, word for word, as the meetings are tape recorded. Ms. Tessmann also reported on the possibility of contracting with individuals by personal service contracts for clerical duties. The discussion by the commissioners determined there was **not a need to transcribe the meeting minutes verbatim.**

Commissioner Arthaud made a motion to approve spending up to \$5,000 on temporary labor as needed. Commissioner Pladson seconded the motion. There being no further discussion Chairman Boehm asked everyone in favor to say aye. All said aye. **Motion passed.**

AGENDAITEM #6

(This item removed from the agenda as per motion.)

6. **Outdoor Recreation Development Association**
 - Requesting \$5,000 (June storm damage)

AGENDAITEM #7

7. **Horse Race North Dakota - Fargo**
 - Review of Simulcast Site Application – out at track

Jim Tilton, past president of Horse Race North Dakota, reported on the application for a simulcast site at the race track facility and answered questions.

Commissioner Arthaud made the motion to approve the simulcast site application by the Horse Race North Dakota for a site at the ND Horse Park facility. Commissioner Pladson seconded the motion. Chairman Boehm asked the Director to take the roll:

Commissioner Frederick	Yes
Commissioner Arthaud	Yes
Commissioner Clement	Yes
Commissioner Boehm	Yes
Commissioner Pladson	Yes

The motion carried unanimously.

Director Meyer explained we were talking about Rooter's Bar and I went down there right after the February meeting and I thought I went with the idea that the site was approved pending inspection and then I gave the report in April about it and they are operating the machines and in April you approved my report so they have been operating for three months and took in \$3,000 but we never had a motion approving the license. You approved the inspection trip and you approved the report and when we went to send them out a license we looked at our motions and it never said we have a motion to approve the license at Rooters. So we need a motion for the site at Rooter's Bar.

Commissioner Frederick made the motion to grant Rooter's Bar a license and Commissioner Clement seconded the motion. Chairman Boehm asked the Director to take the roll:

Commissioner Frederick	Yes
Commissioner Arthaud	Yes
Commissioner Clement	Yes
Commissioner Boehm	Yes
Commissioner Pladson	Yes

The motion carried unanimously.

The commission took a brief break.

Chairman Boehm reconvened meeting and move on to agenda item #8.

AGENDA ITEM #8

8. ND Horse Park/Fair Circuit Horse Racing Association - Memorandum of Understanding

Director Meyer stated he received calls from both the Fair Circuit Horse Racing Association and the ND Horse Park with questions on the ownership of the equipment and concerns. Director Meyer explained he arranged a meeting between Fair Circuit Horse Racing Association and ND Horse Park concerning ownership, maintenance and use of equipment at the site. In thinking an agreement had been made, the Director drafted a memorandum of understanding for the two parties, sent the memorandum of understanding out to both groups and they did not reply.

A lengthy discussion including statements from Director Meyer, Leon Glasser of Fair Circuit Horse Racing Association, Jim Tilton for the Horse Race North Dakota and Les Schmidt, Track Manager. Jim Tilton gave the history of the equipment.

Legal Counsel Peterson informed that the commission wasn't responsible to draft a Memorandum of Understanding.

AGENDAITEM #9

9. Lien Games Inc.

- New Partners
- Big Bettors
- Offshore Wagering – (This item removed as per motion.)

The Director reported to the commission the change in ownership of Lien Games, Inc. with new partners as Henry Hackle and Ernest Dahlman.

Legal Counsel Peterson stated the rules, under 69.5-01-11-04 subsection two, requires the Commission to approve the change in structure of a service provider. Lien Games Inc. has a request for approval of these two individuals to own 5% each in Lien Games. This requires the commission's approval.

Mike Cichy explained the relationship with Lien Games Inc. and Henry Hackle and Ernest Dahlman, and the long term plan of building a facility for pari-mutuel wagering at the track. He also explained appearing before the legislature on the tax reduction bill.

Commissioner Arthaud made the motion to approve the ownership change in Lien Games Inc. The motion was seconded by Commissioner Pladson. Chairman Boehm asked for discussion and there being none asked the Director to take the roll.

Commissioner Frederick	Yes
Commissioner Arthaud	Yes
Commissioner Clement	Yes
Commissioner Boehm	Yes
Commissioner Pladson	Yes

The motion carried unanimously.

AGENDAITEM #10

10. Steve Keplin's Appeal of 2004 Steward's Ruling
(Steve Keplin was not in attendance.)

Director Meyer explained the time frame, the correspondence and copy of Steve Keplin's phone records. Legal Counsel Peterson explained that a referral does not apply in this case, Steve's appeal was not within 14 days of the steward's ruling, and Legal Counsel recommend that the commission does not have jurisdiction to consider Steve's appeal. Chief Steward Randy Blaseg also reported on this matter. Legal Counsel also stated the Commission could decide to waive a fine independent of his appeal.

Commissioner Frederick made a motion to waive the \$200 fine for Steve Keplin missing the hearing. The motion was seconded by Commissioner Pladson. There being no further discussion Chairman Boehm asked Director Meyer to take the roll.

Commissioner Frederick	Yes
Commissioner Arthaud	Yes
Commissioner Clement	Yes
Commissioner Boehm	Yes

Commissioner Pladson Yes
The motion carried unanimously.

AGENDAITEM #11

11. Ownership Question on Skis Easy Dash

Legal Counsel Peterson explained the commission needed to decide if there was a reasonable bases to believe that rules and laws were violated and then to consider whether to take disciplinary action against Rick Buchholz and Rick Tessin (Tessin was an associate steward at the Fargo track). Mr. Peterson explained in detail the potential violations.

Rick Tessin and Rick Buchholz explained their role in the ownership of Ski Easy Dash and what their actions were in making application for the 2004 Breeders dollars. Questions were asked by Legal Counsel. Randy Blaseg, Chief Steward also spoke before the commission.

Commissioner Pladson made a motion that the Commission make a finding that there is reasonable grounds to believe that a violation has occurred and that we take disciplinary action against Mr. Rick Tessin's license as a Steward and Mr. Rick Buchholz's license as an Owner. Commissioner Arthaud seconded the motion.

Any further discussion on this motion Chairman Boehm asked the Director to take the roll.

Commissioner Pladson	Yes
Commissioner Boehm	Yes
Commissioner Clement	Yes
Commissioner Arthaud	Yes
Commissioner Frederick	No

Motion passes.

Commissioner Clement made the motion to authorize Legal Counsel Bill Peterson to offer Mr. Buchholz a letter of reprimand in settlement of the disciplinary action and to authorize Legal Counsel to offer Mr. Tessin a settlement of the disciplinary action and settlement being suspension for one year and the return of all purse and breeder's fund monies received as a result of the race in question. Commissioner Arthaud seconded the motion. After further discussion, Chairman Boehm asked the Director to take the roll call.

Commissioner Arthaud	Yes
Commissioner Clement	Yes
Commissioner Frederick	Yes
Commissioner Boehm	Yes
Commissioner Pladson	Yes

The motion carried unanimously.

AGENDAITEM #12

12. Staff Positions

- Administrative Officer - Reclassification of Position

The Administrative Officer's position will be reclassified when it is determined what the new duties will be after the Racing Commission becoming a stand alone agency. Administrative Officer Tessmann explained the proper procedure would be to complete a Performance Informational Questionnaire and then once the duties are clarified and explained then this form

is filed and the Human Resources Services will determine what the position will be reclassified as for the duties declared in that documentation.

Director Meyer explained that his six month probationary period will be June 30th.

Commissioner Frederick made a motion to maintain Dean Meyer as Director on full-time bases. Motion was seconded by Commissioner Clement. With no further discussion Chairman Boehm called for the roll.

Commissioner Arthaud	No
Commissioner Clement	Yes
Commissioner Frederick	Yes
Commissioner Boehm	No
Commissioner Pladson	No

Motion failed.

AGENDAITEM #13

13. **Any other business which may properly come before the Commission**

With no further business Commission Pladson made a motion to adjourn the meeting. Commissioner Arthaud seconded the motion. All in favor said aye. Motion passed.